September 4, 2015
Mel Bailey and Marsha Bell, owners
Schweitzer Basin Water LLC
To: Idaho Public Utilities Commissioners

Subject: SBW Response to Comments of the Commission Staff on Case No. SCH-W-15-01

The owners of the Schweitzer Basin Water LLC (SBW) appreciate the time and thoroughness of the IPUC staff in reviewing our system and recommending that we be issued a Certificate of Public Necessity and Convenience for our service area. We have learned different ways of viewing our system and more about utility regulation. We are asking that you treat our customers and us fairly.

We appreciate the opportunity to comment on the staff's comments. Our following comments refer to the staff comments by page and paragraph.

1. Page 4 Number of Customers and Consumption Review, third paragraph, states "repair of fractured well"
   - Well 2 was fractured in 2005 hydrostatically
   - Well 4 was fractured in 2005 with CO2

2. Page 5 Distribution System, first paragraph, states "valves associated with twelve pressure zones" footnote 15.
   In Application, Attachment 7, six pressure-reducing valves are identified. This creates seven (7) pressure zones, not twelve (12).

3. Page 6 Leak Occurrences and Detection

   We feel our primary responsibility is to provide safe and reliable water. To accomplish reliable water we have an aggressive leak detection program to find small leaks before they become big leaks. Twice per year, when the housing population is low - Spring and Fall - we isolate sections of our water system and test whether they will hold pressure. We find and correct leaks before they can cause depressurization. We turn off portions of the system to both find a leak and repair leaks.

   In the past 10 years we had only one (1) system, main line, failure with an associated depressurization. In March 2014 we had a service line leak; a depressurization occurred while we were looking for that leak. We will continue with our leak detection program because it works. Should a depressurization occur SBW follows the DEQ IDAPA rules for notification of the residents and DEQ, chlorination, testing, etc.

4. Page 7 Leak Occurrence and Detection, first paragraph recommends that the SBW become a member of the Idaho Rural Water Association (IRWA). The SBW is a member.

5. Page 7 Fire Hydrant Connection, Use, and Services
   The PUC staff is concerned that fire hydrant usage may lead to system depressurization unbeknownst to the Company operators. Per DEQ letter to SBW dated April 7, 2015 (below), "it was agreed by all parties that although there may be pressure deficiencies when flushing the hydrants or in the event of fire, it is preferable to keep the hydrants in place for the safety and protection of the residents and their property."

April 7, 2015
Mel Bailey and Marsha Bell
2110 Ironwood Parkway, Coeur d'Alene, ID 83814 (208) 769-1422 C. L. "Butch" Otter, Governor
Curt A. Fransen, Director
STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY
Schweitzer Basin Water Company
PO Box 772
Sagle, ID 83860
mbsnowski@gmail.com
Re: Schweitzer Basin Water LLC, ID1090124
This letter is in response to your request on March 26, 2015 at the Department of Environmental Quality (DEQ) office for clarification on the Department's regulatory authority over Schweitzer Basin Water LLC public water system.

The Idaho Legislature has given the Idaho Board of Environmental Quality the authority to promulgate rules governing quality and safety of drinking water, pursuant to Title 37, Chapter 21 and Title 39, Chapter 1, Idaho Code. The Idaho Rules for Public Drinking Water Systems (58.01.08) are intended to control and regulate the design, construction, operation, maintenance, and quality control of public drinking water systems to provide a degree of assurance that such systems are protected from contamination and maintained free from contaminants which may injure the health of the consumer.

During our previous meeting at the DEQ office on November 19, 2013 to discuss fire flow pressure and potential issues maintaining required pressure during hydrant flushing and fire events, it was agreed by all parties that although there may be pressure deficiencies when flushing the hydrants or in the event of a fire, it is preferable to keep the hydrants in place for the safety and protection of the residents and their property. The Department is not recommending the removal of the existing fire hydrants in order to reduce or correct any fire flow issues during flushing or fire events.

Also, it was discussed that the Schweitzer Basin Water Company was built in the 1960's prior to DEQ drinking water regulations and the Rules currently require that any drop in pressure below 20 psi in distribution must immediately provide public notification, disinfect the water system, and notify the DEQ.

If the Schweitzer Basin Water Company plans to "substantially modify" or add new service areas, these projects would trigger the requirement for maintaining a minimum 40 psi pressure during peak hour demand, excluding fire flow.

It is DEQ's understanding that Schweitzer Basin Water Company and Schweitzer Fire District will work together to coordinate the hydrant flushing and work within the existing water system design to keep the pressure within the mains at or above the minimum required pressure of 20 psi. As a reminder, only the licensed operator of the water system is authorized to make changes to the operation of the water system unless there is permission from the owner/operator. Emergency situations would not merit prior permission.

If you have any further questions, please contact me at the Coeur d'Alene Regional Office of the DEQ at 208-769-1422.
Sincerely,
Jean Felker
Drinking Water Analyst
Jean.felker@deq.idaho.gov
File in TRIM: ID1090124 (2015ACA1497)

6. Page 8 Sanitary Survey Results, second paragraph states: "The sanitary survey results and the Company's response in 2009 are inconsistent with the company's recent clarification to Staff via personal communication that the surface water system and associated chlorination equipment are in use."
   - Clarification: The sand filter is maintained in a state of readiness. Water flows through it keeping it "seasoned". The water flows to waste. The chlorination system has been installed. It can be valved to operate with the sand filter or with well 4.

7. Page 9 Rate Design and Recurring Rates

   We understand that the IPUC staff is recommending that the flat rate be the same for all ERU's. However, we also understand that at this time the IPUC staff is recommending that the flat rate not be changed for the small, in square footage, ERU's.

8. Page 10 Late Payment Charges

   Currently the SBW bills quarterly according to the following: The bills go out the 15th of the last month in the quarter, say Sept 15. The billing time

period is for the quarter, July 1 through September 30. The bill is due the 15th of the following month, October 15. There is a 15-day grace period before the bill is late, Oct 30. Our bill states that we charge 1.5% per month on the unpaid balance, minimum of $15. (The 1.5% starts on November 1).

We rarely charge a late fee. When someone is late, and they have not been late before, we call them. Often the bill is lost, there has been a change in who pays the bills, our payment is sent to the sewer provider, etc. If they have been late before we send them another bill after the end of the grace period. If they have not paid by bill preparation time for the following quarter (Dec 15) we add a late charge.

Our rate was set in the 1989 when interest rates were higher. A 1% fee for a single-family home would be $3.69. This does not cover the cost of the second billing, postage, reentry in the billing system, phone calls, etc. We would propose a 1% late fee on the unpaid balance, or $5.00, whichever is greater.

9. Page 11 Disconnections and Connection Fees

   The high disconnect/reconnect single fee was to discourage homeowners from turning their water off during the low usage months when they do not use their home and requesting reconnection for just the high use months. No fee was ever charged for disconnection/reconnection for performing maintenance of customer homes. Our customers do not request disconnection when they move because they do not live here anyways. An alternative fee would be to charge six months flat rate for disconnections greater than 1 month.

   For involuntary disconnection of service for non-payment. Since turning off curb stops in the winter usually requires several hours of snow/ice removal, mobilization of equipment and digging through frozen ground, we propose that the rate be time based: $35 per hour for labor, $110 per hour for back hoe. If it occurs in the summer and the customer has maintained access to the curb stop, the charge would just for labor, similar to your recommended rate. (see comment 15 below).

10. Page 11 Hook Up and Water tap Fees, first and second paragraph. The Company takes exception to not being able to receive a return on their investment other than through depreciation. See separate attachment.

11. Page 12 Fire Hydrant Assessment Fee

    The fire hydrant assessment fee is a service to our customers. We provide review of plans with engineers, determine and recommend best

location based upon hydraulics, discussions with Fire Chief/Owners/DEQ, inspection, pressure testing of the line, bacteria testing, as-builts, hydrant flow tests, etc. for a cost of $500. The customer benefits from investing in a fire hydrant because the customer is able to get insurance and the rate for insurance is lower because the Idaho Survey and Rating Bureau (ISRB) has given Schweitzer area a fire rating of 5 based upon the SBW water availability and Schweitzer Fire District. The staff recommends no fee for this service. We feel that this is a continuing saving to our customer because multiple insurance companies are willing to provide coverage and the coverage is being provided at a reduced rate. If the customer chooses, they could have their own engineering firm do these or we could do it at this rate.

12. Page 13 Inspection and Testing Fee

    The inspection and testing fee is a service to our new customers. When they connect to our curb stop for the first time we require that the service line be inspected for compliance with our Rules and Regulations regarding use of materials, bedding, and pressure tested. This may take several trips for the new connection to pass. The state plumbing inspector also is inspecting for compliance within the new home. Currently the state plumbing inspector feels our requirements are more stringent than his so he accepts our inspection. We could give the homeowner the choice of using their own engineering firm and state inspectors or pay our fee of $500.

13. Page 13, Other Non-recurring charges: Insufficient Funds, second paragraph.

    The Staff recommends charging $20 for a NSF check. Our bank, Mountain West Bank, charges $ 29.85, see attached. Plus we have to send a second invoice, process a second check, and enter it into the billing system again. We have never had a NSF check but feel a charge of $40 would be appropriate.

14. Page 13 Bill Statement and Customer Information

    The billing sequence is described in Number 8 above. We agree that the bill date and last payment should be added to the bill. In addition, we will change our due date (the date late charges start).

15. Page 14, Company Tariff, SBW Rules and Regulations Section 8.7 (Should be Section 8.8).

    We agree with the PUC staff with respect to who has responsibility for the curb stop valve. Section 8.8 states:

"Maintenance of service connections valve (curb stops) shall be the responsibility of the customer. Soil, rocks, pavement or other obstacles shall not cover the valve. Any costs incurred to uncover valves shall be billed to the customer. "

Our Section 8.8 is referring to the **ground above** the curb stop and not deliberately paving over it, covering it with rocks, filling in low areas with many feet of debris or otherwise making it difficult to find or use. (We are on a hillside, parking spaces are created by adding fill and may be paved over, large rocks (boulders) are used to stabilize hill sides burying and covering curb stops, etc.).

We propose rewording this section to state:
"The customer shall not cover a curb stop so that it cannot be accessed. If it is covered, the customer will be charged $35 per hour for labor and $110 per hour for back hoe work until the curb stop is accessible and the area reestablished."

16. Section 14.2 This section states " ...service will not be restored until all delinquent bills are paid (water and Sewer)". We do not mean to imply that the Company would disconnect water service for non-payment of a sewer bill and other such charges. When the water has been turned off for non-payment of the water bill, it will only be turned back on when both water and sewer are both paid. We consider it a health hazard if the sewer and water are both turned off and only the water is turned back on. We cannot take the responsibility for turning water on when the sewer is turned off.

Attachments

A. Attachment to SBW response to PUC Staff Comments, Case Number SCW –W-15-101, SBWLLC Comment 11, Page 11, Hookup Fees and Water Tap Fees

B. Mountain West Bank Schedule of Fees April 2, 2012

September 4, 2015
Attachment to SBW Response to PUC Staff Comments, Case Number SCH-W-15-01, SBWLLC Comment 11, Page 11 Hook up Fees and Water Tap Fees

Today when properties are sub divided the developer is required to install utilities and roads. That was not the case in 1964.

When Schweitzer ski area was started in 1964 there were limited requirements for subdividing property. Roads were only trails and utilities, when needed, were the responsibility of the landowner. In 1993 a Limited Improvement District (LID-1-93) was established to improve the roads. Most main lines had been installed but there were neither service connections nor curb stops at the lot corners. This LID was also going to install water and sewer, along with other utilities. It was determined that the LID could not install any utilities that were privately owned, only utilities that were public. The Bonner County Commissioners, which had approved the LID, asked all of the utility companies to participate in the LID project by installing utilities prior to the roads being paved. The Commissioners added the requirement that all roads could not be cut, other than for emergencies, for a period of seven (7) years.

The engineering company for the LID provided some help to the utilities by including utility locations on the LID project drawings and on the final as-built drawing.

The utility companies worked together to minimize costs. No company was being reimbursed for the installation of services to vacant lots. This effort by the utilities provided the lot owners a significant cost savings. Not needing to individually install utilities and, in many cases, cut roads made the property owners lots buildable or much more valuable for resale. The end result of the project provided a uniform utility system with paved roads and pavement with few cuts, which was in the best interest of the community. Attached is a letter to all property owners indicating the cost each utility was going to charge. No utility was making a profit, strictly recovering the expenses. There was a low lot owner participation rate. One utility, the gas company, did not participate on all the roads. Currently lot owners have to have separate propane

tanks or, one lot owner at his own expense, is paying to run a gas line over 500 feet from another house that also paid to run the gas line to it. He will have to pay for cutting the pavement as well.

The costs for tapping into the main line, running a service line to the lot corner and ending in a curb stop is charged to the lot owner as a tap fee. In some roads there was no main line. The cost for putting a main line in front of a lot is included in the tap fee. Water tap fees consist of our actual costs plus escalation. They are the only way we can recover our investment.

In 1994 SBW installed service lines to 147 lots that were on existing main lines at an investment cost of $124,950. Or, a cost of $850 (in 1994 dollars) per lot. At an interest rate of 5%, compounded, the 2015 (21 years) cost is approximately $ 2368 per lot (we charge $2000 per lot), (see attachment). This is called the tap fee.

Water Tap fee and Line Extension for lots of Fall Line:

LID-1-93 paved all secondary roads at Schweitzer and had a 7year no cutting of pavement clause. This area was only served by utility lines coming to the properties from the road above. To correct this problem the utilities worked together to install approximately 2400 feet of joint ditch along Telemark road. The cost for installing this main was reduced to $18 per foot for the water main due to the joint effort of all the utilities working together. The cost for the main was $43200 for 32 lots or $1350 each plus the tap fee of $850 dollars per lot. The extension and tap fee to each lot was $2200 in 1994 dollars. Compounded at 5% interest rate, this is $6129 in 2015 dollars. See attachment). The lots on Telemark are charged $3000 instead of $6129 because it is felt by the SBW owner that the cost would be too high and restrict development.

Water Tap fee and Line Extension for lots of Ullr Dr:

This is a misnomer. There is no charge for the tap fee only the line extension.

In about 1999, a developer developed the lots on the end of Ullr. The developer extended a main line and put in the service lines to the lots. However, the extension had no water source (it was higher than R4 that serviced the rest of Ullr). SBW put in 900 feet of

8-inch main line in 2000 from R2 to the end of Ullr to provide water for 8 lots at an investment cost of $27000. The cost per lot was $3375 in 2000 dollars. (At 5% compounded to 2011 that would be $5772, see attachment 8.4).) The lots on Ullr are charged $3500 instead of $ 5772 because it is felt by the SBW owner that the cost would be too high and restrict development.

In 2005 the water company evaluated its capability to provide water for the build out of its service area. It was determined that more water well capacity was needed along with greater storage capabilities. This would allow the system to meet its build-out needs (if all lots were built on). Property at the correct elevation to tie the water system together was available, new roads were built, a well (W3) was drilled and construction of a 137,000 gallon reservoir was completed. This construction, land, water mains, electrical, road and well installation project cost approximately $700,000. Dividing the cost of the project by the number of homes it could support; the hook-up fee is $6950.00. This hookup fee is more than a fair price as it will take many years, if ever, for the company to be repaid.

Cost for new 137K reservoir and well #3 in 2005 and 2006

Build road to well site	$7980
Build road to reservoir site and for pipe installation	34022
Install 8 inch water main for reservoir	19590
Excavation of site and relocate dirt while building	51382
Well number 3 drill and install pump + controls	19364
Testing of water lab work	1690
300 + feet of 2 inch pipe and electrical back to control area	5375
Engineering PE for well and reservoir	2515
Hydro geological survey for water well location determination	3975
Piping, flow meter, valves and fittings	5725
Water meter for well #3	601
Riser for well	175
Storm water materials and grass seeding	2113

Blue prints	85
Reservoir project concrete tank	94796
Total work performed	$249388

Work performed by SBWLLC and equipment furnished by SBWLLC include trucks, dump truck, backhoe, pressure washer, welding equipment, ladders, hand tools, surveying equipment and other items needed to complete project. The water company also performed engineering, storm water management, water samples, pressure cleaning of the tank, chlorination of piping and tank, operated all heavy equipment, environmental protection, reseeded land, burned slash and performed final as-built of project.
$27,760

Land value in 2006 two small lots close to this site each less than 18000 sq feet sold for $209,000 each. The property that this project is on is made up of 2 lots with over three acres of ground and a building density of five (5) home sites. The value of this property is greater than the lots used for a comparison. $418,000

Total project cost using estimated value of property
$695,148

The Idaho PUC, as shown on their web site, has issued tariffs to 28 water companies. For 18 of those companies, 63%, the PUC has approved hookup fees. These fees range from $150 to $6000. Nine of the approved hook up fees, 50 %, have been issued since 2010. We installed these service connections for the lot owners, speculating that lot owners would appreciate having the service lines installed in an efficient, cost effective manner and be willing to pay us back.

We recognize that the PUC works within the rules of IDAPA 31.36.01, Rules 103. Presumption of Contributed Capital (Rule 103), which states:

"In issuing certificates for a small water company or in setting rates for a small water company, it will be presumed that the capital investment in plant associated with the system is contributed capital, i.e., that this capital investment will be excluded from the rate base. "

We believe that this is referring to the purchase price of a water system. We argue that it does not apply to capital investments after a water system has been purchased. Nor are we asking for the tap fees to be put into the recurring fees. The cost of installing service connections to lots is a non-recurring fee only to be paid by the benefiting owner.

In a IPU Primer, MSU, Primer on Water Pricing by Dr Janice A Beecher, November 11, 2011, page 4, she states:

- "Utilities must recover revenue requirements based upon the actual "cost of service" in order to sustain operations over time."
- "Economic regulation of utilities in the US emphasizes full cost ratemaking in accordance with well established principles, namely that burdens should follow benefits, that pricing should not be unduly discriminatory, and that the rates charged and returns earned should be "just and reasonable"."
- "For utilities, the accounting cost of service includes all prudently incurred costs associated with capital investment and operations, including financing costs (debt and owner equity), depreciation expenses, and reserves (as approved by the oversight bodies)."

Idaho Statutes Title 61 Public Utility Regulations Chapter 3, Duties of Public Utilities, 61-316 PROFITS, states:

"Nothing in this act shall be taken to prohibit any public utility from itself profiting, to the extent permitted by the commission, from any economies, efficiencies or improvements which it may make, and from distributing by way of dividends or otherwise disposing of the profits to which it may be so entitled, and the commission is authorized to make or permit such arrangement or arrangements with any public utility as it may deem wise for the purpose of encouraging economies, efficiencies, or improvements and securing to the public utility making the same such portion, if any, of the profits thereof, as the commission may determine. "

Not having a hook up tariff would be denying us, a public utility, the opportunity to recoup our costs, let alone make a profit. We have anticipated growth by building capital improvements. We should not be penalized. Future customers that benefit from these investments

should pay the cost of the improvements. New customers benefit because the utility is ready to support them when the demand occurs. Current customers may benefit from redundancy and increased reliability but they do not require the improvement. Having a tariff for hookups is a repayment for funds spent. Often years pass before the funds are repaid, with an associated monetary loss due to inflation. As shown above, 64% of other water utilities are granted tariffs for hookups.

Dr Janice Beecher, et.al., Meeting Water Utility Revenue Requirements: Financing and Ratemaking Alternatives, NRRI 93-13, November 1993 states on Page 151, System Development Charges:

- "Periodically, water utilities must incur expenditures for system improvements. These system improvements require the water utility to develop financing programs for the construction expenditures. Water utility mangers must decide which costs are more appropriately recovered by increasing water rates and which costs are more appropriately recovered by capital charges. If the capital improvement expenditure is oriented toward serving demand growth via the addition of new customers rather than toward benefiting existing customers, it may be inequitable or inappropriate to recover these capital costs from existing customers. A financing option in this particular case is the use of a front-end capital payment (or capital contribution). The payment is provided by the new customer to recover a portion of the capital investment required to provide service to the new customer. The rationale for such a front-end charge is to require new customers to finance system improvements that directly benefit them and are largely a result of the demand growth by the new customers."
- "One form of a front-end charge is the system-development charge, which is a one-time charge to new customers when they are connected to the water system."

Attachments

1. Letter JUB Engineering To Melvin Bailey, February 10, 1994, RE: Schweitzer Mountain Road Project – Utility Connections

2. Compound Interest Calculator
- $850 for 21 years at 5 % interest

- $2200 for 21 years at 5% interest

J•U•B ENGINEERS, INC.
ENGINEERS • PLANNERS • SURVEYORS
1250 Ironwood Drive, Suite 220
Coeur d'Alene, ID 83814
208•667-1574
FAX 208•667-2176

February 10, 1994

MELVIN J. BAILEY
206 BROADMOOR ST.
RICHLAND, WA 99352

RE: Schweitzer Mountain Road Project - Utility Connections
YOUR PROPERTY: SCHWEITZER BASIN VILLAGE 2, BLK. 1 LOT 09, 10 LESS S 60' OF TAX 6,

Dear Property Owner:

The Bonner County LID 93-1, Schweitzer Basin Road Project has progressed very well over the last year. Schweitzer Basin Road was completed during the Fall of 1993. Much of the storm drainage work was also completed. Utility lines were started. The project is now in good shape for completion in the Summer of 1994.

The 1994 construction Schedule for LID 93-1, Schweitzer Basin Road Project is currently being updated and finalized by the contractor, Interstate Concrete and Asphalt. The contractor must finalize his schedule by March 31, 1994. Prior to that time several items must be resolved. One of the biggest issues is utility connections required by the property owners. The utility "stubs" or services must be extended to the property line from under the road surface before paving is completed. If not, the cost of extending these services may be much higher due to the seven year no-cut pavement protection policy.

Unfortunately, the cost of extending the service connections can not be part of the LID because the utilities are privately owned. Therefore, it is the responsibility of each property owner to contact the utility to apply for and pay the cost of extending the service line to the property.

We have been working closely with the utility companies for the past year. We have sent several letters trying to determine the needs and interest of the property owners who currently do not have service. Through this process we have now arrived at a process for securing services for each property owner not currently served.

The records show your property needs water, sewer, gas, electric and phone services. The main lines for these services are in the street or are available to your property. You will only need to have the utility stub or service lines extended to your property.

Based on commitments by the utility companies the following is available and required if you want services to your property:

J•U•B ENGINEERS, INC.
ENGINEERS • PLANNERS • SURVEYORS
1250 Ironwood Drive, Suite 220
Coeur d'Alene, ID 83814
208•667-1574
FAX 208•667-2176

Water: Water is provided by Schweitzer Basin Water Company. Water Service will be extended to the property line for a $750.00 service stub fee. A connection fee will be charged at the time you actually connect and use the service. Please fill out the enclosed agreement and send your check to Schweitzer Basin Water Company.

Sewer: Sewer is available from Recreation Utilities, Inc. A sewer service tap will be extended from the main line to the property line for $750.00 . A connection fee will be charged at the time you actually connect and use the service. Please contact Recreation Utilities, Inc., 208-263-3331, P.O. Box 815, Sandpoint, ID 83864.

Electric: Electric service is available from Northern Lights, Inc. Electric service will be extended to the property line for a $500.00 service stub fee. Please fill out the enclosed agreement and send your check to Northern Lights.

Natural Gas: Natural Gas is provided by Washington Water Power Co. Natural gas service will be extended to your property line by Washington Water Power.

Telephone: Telephone is provided by GTE. GTE can not extend service to lots unless phone service is ordered and will be in use due to PUC regulations. GTE will be putting in crossing conduits so they will be able to extend service in the future.

It is very important you decide and get this information and payment back to each utility company by March 10, 1994. We must be able to determine where the services will be installed so the road project can follow closely behind this work. If you have any questions please call the utility company or contact Jim Coleman or Joel Petty at J-U-B ENGINEERS, Inc. at (208) 667-1574 or fax (208) 667-2176.

Thank you for your patience and understanding in getting these utility problems worked out. We look forward to hearing from you.

Calculation results

(interest compounded **yearly** - added at the end of each year)

Year	Year Deposits	Year Interest	Total Deposits	Total Interest	Balance
1	$0.00	$42.50	$850.00	$42.50	$892.50
2	$0.00	$44.63	$850.00	$87.13	$937.13
3	$0.00	$46.86	$850.00	$133.98	$983.98
4	$0.00	$49.20	$850.00	$183.18	$1,033.18
5	$0.00	$51.66	$850.00	$234.84	$1,084.84
6	$0.00	$54.24	$850.00	$289.08	$1,139.08
7	$0.00	$56.95	$850.00	$346.04	$1,196.04
8	$0.00	$59.80	$850.00	$405.84	$1,255.84
9	$0.00	$62.79	$850.00	$468.63	$1,318.63
10	$0.00	$65.93	$850.00	$534.56	$1,384.56
11	$0.00	$69.23	$850.00	$603.79	$1,453.79
12	$0.00	$72.69	$850.00	$676.48	$1,526.48
13	$0.00	$76.32	$850.00	$752.80	$1,602.80
14	$0.00	$80.14	$850.00	$832.94	$1,682.94
15	$0.00	$84.15	$850.00	$917.09	$1,767.09
16	$0.00	$88.35	$850.00	$1,005.44	$1,855.44
17	$0.00 2011	$92.77	$850.00	$1,098.22	$1,948.22
18	$0.00	$97.41	$850.00	$1,195.63	$2,045.63
19	$0.00	$102.28	$850.00	$1,297.91	$2,147.91
20	$0.00	$107.40	$850.00	$1,405.30	$2,255.30
21	**$0.00** 2015	**$112.77**	**$850.00**	**$1,518.07**	**$2,368.07**

Base amount: $850.00
Interest Rate: 5%
Effective Annual Rate: 5%
Calculation period: 21 years

Regular Deposit Calculation

Calculation results

(interest compounded **yearly** - added at the end of each year)

Year	Year Interest	Total Interest	Balance
1	$110.00	$110.00	$2,310.00
2	$115.50	$225.50	$2,425.50
3	$121.28	$346.78	$2,546.78
4	$127.34	$474.11	$2,674.11
5	$133.71	$607.82	$2,807.82
6	$140.39	$748.21	$2,948.21
7	$147.41	$895.62	$3,095.62
8	$154.78	$1,050.40	$3,250.40
9	$162.52	$1,212.92	$3,412.92
10	$170.65	$1,383.57	$3,583.57
11	$179.18	$1,562.75	$3,762.75
12	$188.14	$1,750.88	$3,950.88
13	$197.54	$1,948.43	$4,148.43
14	$207.42	$2,155.85	$4,355.85
15	$217.79	$2,373.64	$4,573.64
16	$228.68	$2,602.32	$4,802.32
17	$240.12	$2,842.44	$5,042.44
18	$252.12	$3,094.56	$5,294.56
19	$264.73	$3,359.29	$5,559.29
20	$277.96	$3,637.25	$5,837.25
21 2015	**$291.86**	**$3,929.12**	**$6,129.12**

Base amount: $2,200.00
Interest Rate: 5%
Effective Annual Rate: 5%
Calculation period: 21 years

Standard Calculation

FDIC

SCHEDULE OF FEES

The following fees will be in effect
beginning April 2, 2012.
The following fee in bold has changed.

Account closed within 6 months of opening	$20.00
Account research	$20.00/hour
ATM or debit card re-issue fee	$5.00
Cash machine fees: at any Mountain West Bank or Star[sm] ATMs or Star[sm] Point of Sale terminals	no charge**
Cashiers' checks	$3.50
Check cashing	$15.00
Counter checks, each	$3.00 per page (4/page)
Dormant account fee	$12.00/month
Deposited items returned	$4.00
e-Statements	FREE
Foreign currency orders (including FedEx shipping)	$35.00
Items sent for collection	$20.00
Return Item Fee - (each debit or check returned)	$29.85
Overdraft (each debit or check paid)	$29.85***
Continuous Overdraft Fee	$5.00 per day, beginning on day 5, until the account is back in good standing
Overdraft transfer fee (per transfer)	$5.00
Quicken®/Money Download Access Fee	FREE
Safe deposit boxes	Visit your Mountain West branch for fees and availability
Safe deposit key deposit	$15.00
Stop payments	$30.00
Travel card	$11.95
Outgoing Domestic Wire transfers	$21.00
Incoming Wire Transfer	$10.00
Foreign wire transfers	$42.00

**When using a non-Mountain West ATM, you may be charged a surcharge, or convenience fee by the ATM owner. The amount of the fee will be disclosed by the terminal owner at the time of the transaction.

***Overdraft fees apply to overdrafts created by check, in-person withdrawal, ATM withdrawal, or other electronic means.

Mountain West Bank
Division of Glacier Bank

800-641-5401 | MOUNTAINWESTBANK.COM